

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04  
NSAE-00 SIL-01 OMB-01 TRSE-00 CU-04 DODE-00 PA-02  
USIA-15 PRS-01 SP-02 /058 W  
-----211601Z 046223 /46

R 211417Z APR 77  
FM AMCONSUL TORONTO  
TO SECSTATE WASHDC 5343  
INFO AMEMBASSY OTTAWA  
AMCONSUL WINNIPEG

UNCLAS TORONTO 0940

E.O. 11652: N/A  
TAGS: ELAB, EFIN, CA  
SUBJECT:ONTARIO BUDGET CONTAINS LITTLE DIRECT JOB CREATION

REF: TORONTO 939

1. ALTHOUGH ONTARIO BUDGET STATEMENT SAYS "GOVERNMENT HAS PLACED ITS HIGHEST PRIORITY ON CREATING JOBS," DIRECT JOB CREATION IN THE PROVINCE'S 1977 BUDGET IS ONLY SLIGHTLY MORE THAN 48,000, OF WHICH OVER 90 PERCENT ARE FOR THE 1524 YEAR OLD AGE GROUP.

2. EXPANSION OF VARIOUS YOUTH EMPLOYMENT PROGRAMS WILL CREAT 44,692 JOBS, MOSTLY LIMITED TO THE SUMMER MONTHS. ACCELERATION OF ROAD AND SEWAGE PROJECTS, REPAIRS TO GOVERNMENT AND UNIVERSITY BUILDINGS, AGRICULTURAL INFRASTRUCTURE PROJECTS, HEALTH CAPITAL PROJECTS, AND INSULATION OF GOVERNMENT BUILDINGS WILL CREAT 3,356 JOBS IN THE DEPRESSED CONSTRUCTION INDUSTRY. (EXPANSIONOF ONTARIO HYDRO'S BORROWING PROGRAM BY DOLS 200 MILLION FOR CAPITAL EXPENDITURES - SEE REFTEL - SHOULD CREATE ADDITIONAL CONSTRUCTION JOBS.)

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3. JOB CREATION MEASURES ARE DESIGNED TO HIT THE TWO SECTORS OF THE LABOR FORCE HARDEST HIT BY UNEMPLOYMENT. UNEMPLOYMENT RATE IN CONSTRUCTION INDUSTRY IS OVER 15 PERCENT AND FOR YOUTHS, ABOUT 11 PERCENT, COMPARED TO AN OVERALL UNEMPLOYMENT RATE OF 7.1 PERCENT.

4. IN SUPPLEMENTARY BUDGET PAPER, ONTARIO GOVERNMENT

SUGGESTS THAT AN OVERALL UNEMPLOUMENT RATE OF 5.3 PERCENT BE CONSIDERED "FULL EMPLOYMENT". THIS EQUIVALENT TO 200,000 JOBLESS. GREATER NUMBERS OF "CASUAL" JOB-SEEKERS, ATTRACTIVE UNEMPLOYMENT BENEFITS, SEASONAL EMPLOYMENT PATTERNS, AND A "CHANGING WORK ETHIC" ARE CITED AS REASONS FOR THE NEW DEFINITION, WHICH TRADITIONALLY HAS BEEN SET AT 3 PERCENT.

5. LABOR REACTION TO THE GOVERNMENT'S APPROACH TO THE UNEMPLOYMENT PROBLEM WAS PREDICTABLE. CLIFFORD PILKEY, PRESIDENT OF THE ONTARIO FEDERATION OF LABOR, SAID BUDGET "HAS ASSURED US THAT A HIGH RATE OF UNEMPLOYMENT WILL CONTINUE TO BE A WAY OF LIFE IN THE COMING YEARS." NDP LEADER STEPHEN LEWIS, SAID 5.3 PERCENT DEFINITION OF FULL EMPLOYMENT IS ONE "NO OTHER JURISDICTION IN THE WESTERN WORLD WOULD DARE TO SET."  
DIGGINS

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## Message Attributes

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**Review Markings:**  
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